REMARKS/ARGUMENTS

Second Preliminary Amendment filed on 17 May 2002

The Examiner states that the preliminary amendment filed on 17 May 2002 was "partially entered (Figs. 41a and 41b phrase)." According to the Examiner, the "remainder of the pre-amendment was not entered due to line numbering."

The Applicants have attached a marked-up copy of the preliminary amendment as originally filed on 17 May 2002 showing corrected page and line number references. The Applicants respectfully request full entry of the preliminary amendment as corrected. The Applicants note that the entire 17 May 2002 preliminary amendment was incorporated into the application as published on 31 October 2002 under Pub. No. US 2002/0161630 A1.

If the Examiner has other concerns with the 17 May 2002 preliminary amendment, the Applicants would be happy to take whatever action is necessary.

Claim Rejections – 35 U.S.C. § 112

Claims 8-46 and 54-64 stand rejected under 35 U.S.C. § 112, ¶ 1, "as based on a disclosure which is not enabling." According to the Examiner, "[t]he claims call for a method of facilitating repayment of a loan obligation by applying of the loyalty points to an outstanding balance of a loan obligation is considered as critical or essential to the practice of the invention, but the steps for repaying the loan obligation are not included in the claim(s) is not enabled by the disclosure." 3 October 2003 Office action, p. 2, § 2 (citing In re Mayhew, 527 F.2d 1229, 188 USPQ 356 (CCPA 1976)) (emphasis in original). The Applicants have amended independent claims 8 and 54 in view of their understanding of what the Examiner is asserting in this § 112 rejection. In view of the amended independent claims, the Applicants respectfully request that the Examiner reconsider and withdraw the rejection of claims 8-46 and 54-64 under § 112, ¶ 1.

Claim Rejections Under 35 U.S.C. § 103(a) Based Upon WO 99/60503 in View of SHURLING et al (US Patent 6,009,415) Alone or Further in View of Article 12/1999

Claims 1-6, 8-29, 32-46, 47-53, 54, and 71-89 stand rejected under 35 U.S.C. § 103(a) "as being unpatentable over WO 99/60503 in view of SHURLING et al (US Patent 6,009,415) alone or further in view of Article 12/1999." 3 October 2003 Office action, at p. 3, § 4, ¶ 1

(emphasis in original). The Applicants respectfully disagree with this rejection for at least the following reasons.

International Publication No. WO 99/60503 is directed toward a system and method of gathering demographic information (see, e.g., WO 99/60503, p. 1, lines 4-5; p. 9, lines 10-12 and lines 17-20; p. 22, lines 13-15; Abstract, lines 1-3) that makes it possible for a website proprietor to target certain demographic groups when selecting website content, such as advertising banners (see, e.g., WO 99/60503, p. 1, last line, to p. 2, line 5; p. 22, lines 19-21). In order to incentivize website visitors to provide the requested demographic information, the website visitors are offered incentive awards in exchange for providing the requested demographic information and for interacting with specified websites in a predefined manner (see, e.g., WO 99/60503, p. 1, lines 6-7; p.9, lines 12-14). "Interacting in a predefined manner" includes answering questionnaires (see, e.g., WO 99/60503, p. 9, lines 23-27; p.11 lines 23-26), answering other questions (see, e.g., WO 99/60503, p. 10, line 28, to p. 11, line 4; p. 11, lines 19-21; p. 16, lines 12-14), visiting certain website pages (see, e.g., WO 99/60503, p. 10, line 28, to p. 11, line 4; p. 13, lines 15-18), and returning to the website after a predetermined time has passed (see, e.g., WO 99/60503, p. 11, lines 21-23; p. 16, lines 1-4 and lines 8-10). When a user subsequently visits participating websites, the user does not have to re-enter demographic information (see, e.g., WO 99/60503, p. 9, line 23), and the user is awarded additional points that may be redeemed for products or services at a later date. In another aspect of the system disclosed in WO 99/60503, the system prepares reports for a participating website proprietor providing a demographics profile of the participating users who interact with the website in predefined ways (see, e.g., WO 99/60503, p. 10, lines 20-24; p.16, lines 12-14). Finally, the system disclosed in WO 99/60503 also provides separate redemption sites where participating website users can visit to convert their accumulated points into products or services (see, e.g., WO 99/60503, p. 11, lines 7-9).

The WO 99/60503 system preferably awards points for merely visiting a participating website (see, e.g., WO 99/60503, p. 11, lines 5-6), and, at most, merely requires that the participating visitor answer questions or visit certain pages to obtain an award of points. In the Applicants' claimed system and method, however, the user must make a purchase in order to obtain loyalty points that may be used to pay down the principal on the loan. In the Applicants' claimed system and method, therefore, a user must spend money before they will earn loyalty

points that may be applied to reduce the balance on their loan. In the WO 99/60503 system and method, the website proprietor "buys" the products and services for a website user in exchange for demographic information provided by the user. That demographic information provided by the user is ultimately used by the website proprietor to alter the content of the proprietor's website to more closely tailor it to what the proprietor expects the users to be looking for. If the website proprietor can thus drive users to its website, the proprietor can make money off of content providers (i.e., companies who advertise their products on the proprietor's website) rather than directly from the website users or visitors themselves. This is vastly different from what occurs with the Applicants' claimed invention.

Another way to look at this is that the system and method in the WO 99/60503 publication rewards website users for providing information that may help a website proprietor change its website content based upon what it believes the website visitors want to see. In the Applicants' claimed system and method, however, the website content is not changed based upon information provided by a website visitor. Rather, in the Applicants' claimed invention, the website visitor presumably already knows what he or she wants to purchase and is being merely incentivized to make that purchase from selected merchants by allowing the website visitor to obtain a "rebate" from its purchase that may be applied to reduce the principal balance of a loan, for example. The WO 99/60503 publication is directed towards a system and method for awarding points to users who provide demographic information and who surf certain participating websites. The Applicants respectfully submit that a system to incentivize web users to provide demographic information about themselves and to surf certain select sites is quite different from their claimed invention directed toward a system and method for paying down the principal of the loan balance by making purchases from select merchants.

The rejection of claims 1-6, 8-29, 32-46, 47-53, 54, and 71-89 under § 103(a) also relies upon US Patent No. 6,009,415 to Shurling et al. The Applicants respectfully submit that, even assuming without admission that the '415 patent is properly combinable with the WO 99/60503 publication in a § 103(a) rejection, the '415 patent does not make up for all that is lacking in the WO 99/60503 publication.

The '415 patent is directed toward a relationship scoring and incentive reward system and method. The '415 patent thus discloses a system for rewarding loyal bank customers with rate incentives: (1) lower loan rates; or (2) higher deposit accounts rates. The system disclosed in

the '415 patent pertains to a data processing technique for determining the number of different relationships that a customer has with the bank, scoring the relationships, and awarding incentive rewards based upon the relationship score. See, e.g., '415 patent, col. 1, lines 7-11. Giving recognition to bank customers who do a substantial amount of business with the bank is quite different from allowing consumers to pay down the principal balance of a loan by making purchases from select merchants. In the Applicants' claimed invention, consumers are able to apply points to pay down the principal balance of the loan. On the other hand, in the '415 system, bank customers are given better deals on future interactions with the bank because they have been loyal to the bank in the past. The '415 patent neither discloses nor suggests paying down the principal balance of a loan with the disclosed incentive rewards. In the Applicants' view, there is a huge difference between giving a customer a break on the interest rate on a new loan ("if you do more business with me, I will give you a better deal next time") and allowing a customer to pay back an existing loan using "rebates" from purchases ("we'll allow you to take money rebated to you by a 3rd party merchant and pay down your loan with us"). Also, the former is a two-party transaction, and the latter is a three-party transaction.

"To establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge that is generally available to one or ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on Applicants' disclosure." MPEP § 706.02(j) (citing In re Vaeck, 947 F.2d 488, 20 USPQ 2d 1438 (Fed. Cir. 1991). The Applicants respectfully submit that their system and method of remaining independent claims 8, 47, 54, 65, and 71, which allows consumers to pay back the principal balance of a loan by applying points obtained by making purchases from selected merchants, is unique. It is neither disclosed nor rendered obvious by the '415 patent cited by the Examiner, whether considered alone or in combination with the WO 99/60503 publication. Neither of these relied upon references suggests or teaches repayment of a loan using loyalty points earned from other purchases, and the Applicants could find nothing in either of these references suggestion their combination, let alone giving one an expectation of such a combination succeeding. Thus,

the Applicants believe that, not only do the teaching of these references fail to disclose or suggest each of the limitation in the Applicants' independent claims, but the cited references also fail to include anything suggesting or supporting their combination as proffered by the Examiner, and the cited references also fail to include anything creating any expectation that the proffered combination would perform successfully.

The rejection of claims 1-6, 8-29, 32-46, 47-53, 54, and 71-89 under § 103(a) also further relies, in the alternative, upon "Article 12/1999" in addition to WO 99/60503 in view of the '415 patent to Shurling et al. The Examiner cites Article 12/1999 as showing that it is "well-known" to conduct banking transactions on a website. This Article also mentions the ability of banking customers to collect points that may be redeemed for gifts that include "mobile phones, digitals cameras, and retail vouchers." The Applicants are not, however, claiming to have invented the concept of rewarding points that are redeemable for gifts. Rather, the Applicants' claimed invention is directed toward obtaining points by making purchases from selected merchants and then being able to apply those points to reduce the principal balance of a loan. Again, the Applicants respectfully submit that this is neither suggested nor disclosed by Article 12/1999, whether considered alone or in combination with WO 99/60503 and/or the '415 patent to Shurling et al.

Claim Rejections Under 35 U.S.C. § 103(a) Based Upon WO 99/60503 in View of SHURLING et al (US Patent 6,009,415) and Further in View of CHIEN et al. (US 2001/0054003)

Claims 7, 30, 31, 63, 64, and 65-70 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over various combinations of references, each combination including United States patent application publication no. US 2001/0054003 A1 of Chien et al., which was published on 20 December 2001. The Applicants respectfully request that the Examiner reconsider and withdraw all of the rejections based at all on the Chien et al. published application in view of the attached inventor declaration under 37 C.F.R. § 1.131. In view of the attached declaration of prior invention, the Applicants respectfully submit that the Chien et al. reference is not prior art and that the Applicants' claims are patentability distinct from the claims published in Chien et al. The Applicants also respectfully disagree with these various rejection substantively.

Claim Rejections Under 35 U.S.C. § 103(a) Based Upon WO 99/60503 in View of SHURLING et al. and Further in View of WONG et al. (US Patent 6,119,933)

Claims 55-62 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over WO 99/60503 in view of SHURLING et al. as applied to claim 54 above, and further in view of WONG et al. (US Patent 6,119,933). The Applicants respectfully disagree with this rejection for at least the following reasons.

US Patent 6,119,933 to Wong et al. discloses a method and apparatus for customer loyalty and marketing analysis. The Examiner cites Wong et al. as disclosing the display of "information about the accumulated loyalty points to the user by categorizing the points with several status such as 'new', 'pending', 'earned', etc., and displaying the points for each status. (see, col. 5, lines 45-60)." 3 October 2003 Office action, p. 8, § 7, ¶ 2. The cited portion of Wong et al., however, fails to make the suggested disclosure. Rather, the cited portion of Wong et al. discloses what comprises an "award transaction" and what occurs when an award transaction is submitted by a member. An award transaction includes information about its status, whether "new, pending, fulfilled or shipped." See, e.g., '933 patent, col. 5, lines 50-51. As is stated in the '933 patent, when "the award transaction is submitted, it is retained in a pending request queue for a short period of time before completing its processing. This is to easily permit cancellation by the user." '933 patent, col. 5, lines 51-54. This discussion in the '933 patent assumes that the member is entitled to seek an award, but has nothing to do with how loyalty points may be categorized prior to being used. The method and apparatus disclosed in Wong et al. is primarily directed toward analyzing customer loyalty and marketing rather than a customer loyalty program per se. Rather, the method and system provide feedback about customers to proprietors so that they may enhance their marketing to their loyal customers. '933 patent, col. 1, lines 56-60. In one aspect of the method and apparatus disclosed in the '933 patent, the system keeps track of customer frequency award points in order to encourage customers to participate in the system. The Wong et al. patent includes only a cursory discussion of award points, fails to include any discussion of the use of such award points for repayment of any type of loan, and fails to include any discussion which would suggest its combination with either WO 99/60503 or Shurling et al. The Applicants thus respectfully request that the Examiner reconsider and withdraw this rejection of 55-62 under 35 U.S.C. § 103(a).

Extension of Time

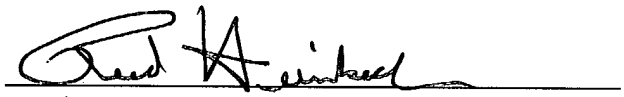
The Applicants have enclosed a separate petition for a three-month extension of time to respond to the outstanding Office action. Thus, the Applicants have petitioned for an extension of time from 4 January 2004 to 3 April 2004. Further, since 3 April 2004 falls on a Saturday within the District of Columbia, this amendment is being timely filed on the next succeeding business day which is not a Saturday, Sunday, or a federal holiday within the District of Columbia.

Conclusion

Following entry of the above amendments, claims 8-28, 30, and 32-89 are pending in the application. The Applicants believe that these claims are in condition for allowance and respectfully request that a Notice of Allowance be issued in this case.

If the Examiner has any questions, he is encouraged to contact the undersigned attorney directly at the number or email address provided below. If the Office determines that any additional fees are due that are not enclosed herewith, the Office is authorized to charge customer deposit account number 502885.

Respectfully submitted this 5th day of April 2004.



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